

Northeast Energy and Commerce Association

1040 Great Plain Avenue, Needham, MA 02192

January 21, 1997

Mary L. Cottrell, Secretary
Department of Public Utilities
100 Cambridge Street, 12 Floor
Boston, MA 02202

Dear Secretary Cottrell:

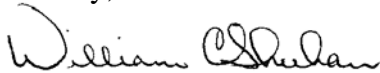
The Northeast Energy and Commerce Association ("NECA") has reviewed the Massachusetts Department of Public Utilities Order in Docket D.P.U. 96-25, dated January 10, 1997 and the amendment to the Offer of Settlement submitted by the Massachusetts Electric Company, et al (the "Company") dated January 14, 1997.

We understand that the Company's supplementary filings have attempted to calculate unbundled rates in response to the Department's concerns. Additionally, the Company has withdrawn its request for financing approvals in the Offer of Settlement, and will defer further requests for financing authorizations pending its July 1, 1997 filing.

NECA became a signatory to the original Offer of Settlement based upon the overall framework which was consistent with NECA's goals, and based upon NECA's long participation in the "give and take" settlement negotiation process which sought to balance the disparate interests of many parties. In our view the changes to the Offer of Settlement do not detract from the compromise agreed to by the parties or the principles reflected in the original settlement filing.¹

NECA supports full compliance with the restructuring objectives adopted by the Department and therefore supports the revisions to the Offer of Settlement as filed.

Sincerely,



William C. Sheehan
President

cc: Service List

¹ NECA reserves its right to continue to actively participate in any future proceedings regarding the Offer of Settlement including the final resolution of the Department's concerns with respect to the financing provisions which the Company promises to address in its July 1, 1997 filing.